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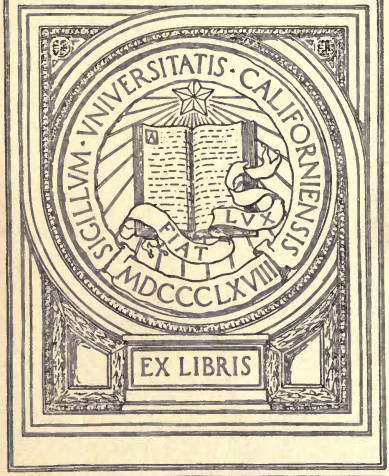
Thoughts on the Treaty Now Agitating Between Government and the East India Company...

By
Archibald Mitchell

UNIVERSITY OF CALIFORNIA
AT LOS ANGELES



THOUGHTS

ON THE

TREATY

NOW AGITATING BETWEEN

GOVERNMENT AND THE EAST INDIA COMPANY,

SHEWING THE CONCEIVED DEFECTS OF THE

PROPOSITIONS DRAWN UP BY THE COURT OF DIRECTORS;

AND CONTAINING

A NEW SET OF PROPOSITIONS,

PERHAPS MORE ADVANTAGEOUS TO THE PUBLIC, TO THE EAST INDIA COMPANY, AND THE OPPRESSED INHABITANTS OF HINDOSTAN.

BY ARCHIBALD MITCHELL,

LATE MAJOR OF ENGINEERS, BELONGING TO THE ESTABLISHMENT OF FORT ST. GEORGE.

JUSTUM ET TENACEM PROPOSITI VIRUM,
NON CIVIUM ARDOR PRAVA JUBENTIUM
NON VULTUS INSTANTIS TYRANNI
MENTE QUATIT SOLIDA.

HOR.

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MDCC LXXX.

N. B. The Purchaſers are requeſted to leave their Names at the Place where they buy this Pamphlet; as Mr. MITCHELL wiſhes to know who the Gentlemen are that do him the honour to peruſe this his maiden Eſſay.

ENTERED IN STATIONERS HALL,
ACCORDING TO ACT OF PARLIAMENT.

UNIV. OF CALIFORNIA
AT LOS ANGELES

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TO THE

PARLIAMENT OF GREAT BRITAIN,

HIS MAJESTY'S MINISTERS,

THE

COURT OF DIRECTORS OF THE EAST INDIA COMPANY,

THE

PROPRIETORS OF EAST INDIA STOCK,

AND

THE PUBLIC AT LARGE,

MY LORDS AND GENTLEMEN,

THE FOLLOWING ESSAY,

ON A

MOST IMPORTANT NATIONAL SUBJECT,

IS,

WITH GREAT DEFERENCE AND RESPECT,

HUMBLY SUBMITTED TO YOUR CONSIDERATION,

BY

YOUR VERY OBEDIENT HUMBLE SERVANT,

ARCHIBALD MITCHELL.

BERNERS STREET,
No. 23,
FEB. 18, 1780.

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THOUGHTS

ON THE

TREATY, &c.

AS the proper and final adjuſtment of the negotiation, now carrying on between Adminiſtration and the Court of Directors, is of the utmoſt magnitude and national importance, and may be ſaid to be the *Magna Charta* of the Eaſt India Company, upon which it's future proſperity, nay it's very exiſtence, intirely depends, as well as a very capital ſource of future riches and aggrandizement to the Britiſh nation; it therefore moſt emphatically calls for the utmoſt exertions of political ſagacity, wiſdom, foreſight, and circumſpection, ſo to frame and arrange thoſe preliminaries which are to form the baſis of this important treaty, and of the new charter, as may moſt effectually ſecure the future proſperity, both political and commercial, of the Eaſt India Company; and be moreover calculated to ſecure, and to foſter, with parental care, thoſe rich and extenſive poſſeſſions acquired by the Company, aſſiſted by national force in the eaſt; which, if well managed, may be made productive of unbounded additions of wealth, influence and power to the Britiſh empire.

To anſwer the above purpoſes, the Court of Directors, with an apparent degree of candour, and attention to the intereſts of their conſtituents, which does them the greateſt honour, have brought forward to the view and deciſion of the Proprietors at large, a ſet of Propoſitions, framed and recommended by them, as a proper baſis of agreement between the Public and the Company, and reſulting from diſcuſſions between them and his Majeſty's Chancellor of the Exchequer.

My buſineſs ſhall be to examine, with all the accuracy of which I am capable, and with perfect impartiality, the merit and tendency of thoſe propoſitions; in doing which, I ſhall proceed in the following order.

I ſhall firſt examine the fundamental principles, upon which the propoſitions appear to have been framed.

SECONDLY, I ſhall endeavour to ſhow, how far the ſuperſtructure, contained in thoſe propoſitions, does correſpond with, and ought to have reſulted from, that foundation; more eſpecially in regard to the following particulars, which I apprehend to be the leading features of the whole.

FIRST, The propoſed duration of the new charter.

SECONDLY, The mode laid down for a participation of territorial revenue.

THIRDLY, The degree of excluſive controul and management, propoſed to be veſted in the Company, independent of Government.

LASTLY, As I expect to be able to make it clearly appear, that however good the foundation, the whole of the ſuperſtructure is little elſe beſides a maſs of incongruity, diſproportion and injuſtice; in ſhort, a mere caſtle in the air, equally devoid of ſolidity and duration. I ſhall therefore preſume to propoſe a new ſet of propoſitions, founded, I hope, on a more laſting baſis, and conſtructed upon a more durable, liberal and equitable ſyſtem. Such a one as, I flatter myſelf, will be found to be well calculated to promote, in a much ſuperior degree, the laſting proſperity of our new acquiſitions in India, and the concomitant aggrandizement of the Britiſh Empire, and of the Eaſt India Company: Between whom, I have the preſumption to interpoſe myſelf, and to aſſume the character and office of an impartial *mids-man*.

I begin, as I propoſed, by ſtating what I conceive to be the two leading principles, implied, though not expreſſed, upon which the propoſitions appear to have been juſtly founded.

FIRST, That in conſideration of a renewal of charter, and a continuance of the excluſive monopoly of India Commerce, for a ſtipulated term, it was reaſonable, and had been cuſtomary, that an adequate compenſation ſhould be paid by the Company to the public.

SECONDLY,

Secondly, That, as the nation claims a right, upon the expiration of the Company's preſent charter, and after liquidating the debt due by the public to the Company, to aſſume the property and poſſeſſion of the territories, now held by the latter, in India; it would therefore be for the intereſt of the Company, to purchaſe, by an equivalent compenſation, a ſuſpenſion of that claim, during the continuance of the propoſed Charter, by admitting the public to a certain Participation of the Revenues ariſing from thoſe Poſſeſſions.

In regard to the Firſt, I conceive, that the Million, to be depoſited by the Company in the hands of Government, as contained in the ſecond propoſition, and to remain there without intereſt, which I eſtimate to be equal to an annual gratuity of 50,000l. from the Company to the Public, is nothing more than a reaſonable, juſt, and moderate compenſation to the nation, for the injury done to the merchants in general of Great Britain, by excluding them from the advantages of a free trade with India, in favour of the Company

As to the Second, I am alſo decided in my opinion, that it is founded on the cleareſt principles of juſtice and equity. For, is there not a ſtriking ſimilitude, in the Company's paſt tenure, to the ſituation and rights of a tenant on leaſe? If ſuch a tenant, in conſideration of certain advantages to ariſe to him, within the duration of his leaſe, and perhaps in contemplation of procuring a revenual of that leaſe, on moderate terms, chooſes, at his own risk, and without making any previous agreement with his ſuperior, to lay out money in building, in incloſing and cultivating commons, I believe that ſuch incloſures would, at the expiration of that leaſe, become the property of the ſuperior. It is the ſame in reſpect to leaſe-hold houſes. Now I regard India, in it's preſent ſtate of political anarchy, in the light of an immenſe common. If then the Company, at the hazard of involving the nation in war, and of their own ruin, has preſumed to poſſeſs itſelf of, and to incloſe, ſome part of this common, ſurely the ſtate, from whence that Company derived it's very exiſtence, and excluſive eſtabliſhment in India; and who, (in reſpect to thoſe feodal poſſeſſions acquired by the Company there) may be regarded, as having neceſſarily become the lord of thoſe manors, (there being now, in truth and reality, no ſovereign actually exiſting over the Empire of Hindoſtan) and being ſo regarded, it appears to

my

my conception, (for I do not pretend to determine how it is according to ſtrict legal deciſion) that the ſtate has a right, in equity, and by preſcription, perhaps by law too, to an aſſumption of property ſo acquired, as ſoon as the reciprocal obligations included in the Company's former leaſe, are mutually acquitted and expired. When I ſay this, I do not affirm any thing, but only give an opinion, and honeſtly confeſs, that the light in which I have ſtated this claim of right, is the ſtrongeſt in which I conceive it can be ſtated; and much ſtronger than any inference I mean to draw from it, in favour of the Public, does require. On the contrary, wiſhing to abſtract this queſtion from the chicane and ambiguity that ingenious lawyers may throw upon it, and to bring the conteſt to an amicable compromiſe, I am willing to allow, that the matter of right, in pure equity, preciſely equiponderates, between the Public and the Company. If this deciſion be ſubmitted to, it muſt neceſſarily follow, that an equal participation of revenue, and an equal ſhare of management too, ſo far as that revenue is concerned, ought to reſult from ſuch an adjuſtment. We ſhall ſee, by and by, how far the propoſitions now before the Proprietors, correſpond with the foregoing deciſion; and by that criterion we ſhall judge of their propriety.

Having thus explained the two fundamental Propoſitions, or Corner-ſtones, of the Treaty now agitating, reſpecting the grand object of Trade and Revenue, I ſhall now proceed to conſider the Plan brought forward by the Directors; and ſhall treat of it in the order already laid down.

In regard to the Firſt Head of Diſcuſſion, namely, "*the propoſed Duration of the New Charter*," I underſtand that the principal reaſons aſſigned by the Miniſters, in favour of a Short Term, are, The Magnitude of the Company's Dominions; their preſent critical and fluctuating ſtate; the impoſſibility of foreſeeing, and conſequently of forming an effectual barrier, againſt every Future Abuſe and Contingency, in the Management of them; and the Neceſſity, reſulting from thoſe combined conſiderations, of Subjecting that Management to the frequent Controul and Correction of Parliament. Theſe Objections to a Charter of long Duration, are certainly not without foundation: but if it can be ſhown, and I think it may, that they may be otherwiſe obviated; and that the very Short Term propoſed to be granted to the Company, in conſequence of

of them, (judging of the future by the paſt) will, in all probability, involve the Ruin, and perhaps the Loſs of thoſe Settlements; the Impropriety and Fatal Tendency of ſuch a Meaſure, will appear evident: When, I ſay, that ſo very Short and Precarious a Tenure will prove ruinous to our Eaſtern Colonies, I do not draw that concluſion from theory or conjecture, but from Paſt Experience, and from Local Knowledge. Who, that has been lately in India, does not know, that ſome of their Beſt Poſſeſſions are already almoſt Ruined, by Hand-to-mouth management? The Company hitherto, but more eſpecially their Servants, actuated by a Narrow Policy, and probably with an eye to the approaching Expiration of their Charter, and their probable Deprivation of Territorial Management, ſeem to have laid aſide all conſideration, in regard to promoting the Durable Proſperity of the Country; and have only ſtudied how to make the moſt of it, for the Preſent Moment: I ſpeak now more particularly in regard to their Management on the coaſt of Coromandel, where I was an eye-witneſs of the facts I am now ſtating: Their poſſeſſions have been farmed out, generally, for Three Years only; the landholders have been frequently changed; the lands have been rack-rented; the Zemindars have been ruined by uſury, in borrowing Money to ſatisfy the rapacity, not of the Company, but of the Company's Servants; the ſubtenants have been conſequently oppreſſed, and the whole Country is tending, by rapid ſtrides, to total Deſertion and Deſolation. From the ſame cauſes the Nabob of Arcot is, almoſt of neceſſity, become a Tyrant and Oppreſſor; and his Country is daily Depopulating; as will, in future, alſo the rich and fertile kingdom of Tanjore, now that it's Rajahs are brought within the rapacious clutches of a quick ſucceſſion of hungry wolves in the Company's Service. All theſe miſchiefs are chiefly owing to the Precarioufneſs of Tenures, and the frequent Changes of Syſtem: Let the Miniſter enquire a little into the Preſent State of the Company's Circar Poſſeſſions—He will find an almoſt Univerſal Bankruptcy amongſt the Rajahs; and an enormous Arrear of Rent, more than the Country will produce to the Company for Seven Years to come. In ſhort, it is almoſt horrid to tell, for the whole is a ſcene of matchleſs Rapacity, Deſolation and Ruin. What is the Cauſe of this? His Lordſhip's own Tenants will Anſwer the Queſtion: Place one of them, with a Leaſe expiring in Three Years; and free to do with the Land as he pleaſes; The conſequence is, he will ſcourge it, and Exhauſt it by Forced Crops; leaving it

Worn-out, Barren, and good for almoſt nothing: Knowing the hen is no longer to lay golden eggs for him, he will ſearch her very bowels for the hidden treaſure. So has it been, and ſo will it be, with the Eaſt India Company, and with it's Territories and Dependents, if a Long and Secure Poſſeſſion be not Granted to them. I ſhall afterwards point out how thoſe Great Evils may be Remedied.

I now proceed to the Second Head, namely, "The Mode Propoſed for a "Participation of Revenue."

The Sixth Propoſition, containing this Article, is framed on a ſuppoſition, that a Dividend to the Proprietors of Eight per cent. is an Adequate Allowance for the Profits of their Trade: The Directors, indeed, ſay, That, on an Average of Forty Years paſt, their Nett Profits have amounted to Nine and a Half per cent: To which I anſwer, That Eight per cent. on ſuch Large Inveſtments as they now bring Home, ariſing from Trade and Revenue together, is more than Equal to Nine and a Half per cent. on their former much Smaller Inveſtments. One Additional Advantage they would Gain, as the Propoſitions now ſtand, is, That whereas Formerly, if any Calamity befel their Factories, either by an Indian, or by an European War, or their Ships, by Loſs or Capture, they were without Reſource: it was a dead Drawback on their Profits, and their Dividends muſt Diminiſh. In Future, ſhould ſuch Loſſes accrue, the Revenues muſt make it good: At all events, the Proprietors are to Receive Eight per cent. Does it not follow, That Half that Reimburſement goes out of the Pocket of Government?

Having adjuſted the dividend for the profits on trade, the Propoſition goes on to ſtate the mode, in which the remaining profits of the Company, accruing from the territorial revenue, is to be ſhared between the Public and the India Proprietors: It propoſes, that all above eight per cent. ſhould be given to the State, until the profits amount to ſixteen per cent. When they exceed ſixteen per cent. the ſurplus to be equally divided between the public and the Company. The plain Engliſh of which Propoſition I take to be this: "We (that is Adminiſtration) will not revolt the Proprietors, by aſſerting, "in direct terms, that every farthing of revenue ſhall be ours, but we ſhall take

care

" care to have it ſo, by inſiſting on receiving all up to ſixteen per cent. which " we are perſuaded, is the utmoſt extent of probable profit that will accrue " from the Company's poſſeſſions. Should, however, the profits, by a de- " gree of good management very unlikely to happen, exceed that proportion, " we will then condeſcend to admit the Company to an equal ſhare of this " imaginary ſurplus, this bubble of expectation, never to be realiſed. In re- " turn for this great condeſcenſion on our part, you ſhall have the honour of " being the ſole drudges in the management of this buſineſs, becauſe we are " convinced, by the wonderful extent of your paſt œconomy, and by the " great care you have ſhewn to provide for the laſting proſperity of your poſ- " ſeſſions, as well as by the effectual means you have uſed to ſecure all the " riches of India to yourſelves, and to let none of them to go into the " pockets of your ſervants, that you are exceedingly equal to this ar- " duous employment.—Moreover, we will not affront you, by making an of- " fer of paying for one half of the fortifications, building, guns, ſtores, &c. " &c. conſtructed and provided by you, at an immenſe expence, for the ne- " ceſſary ſecurity of your poſſeſſions :—You ſhall have the merit of making a " preſent of all that to the State, in return for the honour it does you, by call- " ing you it's partner, and we will content ourſelves with the whole of the " profits, without being at a farthing expence, or bearing any of the drud- " gery."

If, after reading this fair ſtate of the Propoſal, any one will ſtill be hardy enough to throw down the gauntlet, as a champion for the juſtice and mode- ration of Government, I certainly ſhall not accept the challenge, not chuſing to fight wind-mills, nor to run my head againſt ſtone walls.

I now proceed to the laſt head of diſcuſſion, namely, to examine,

" The degree of excluſive controul and management, propoſed to be veſted in the Company, independent of Government."

In

In examining which, I ſhall firſt conſider the demands and expectations of the Directors, on this head, in behalf of the Company; and then advert to the requiſition of the Miniſter on behalf the State.

The Directors begin their Propoſitions, by requiring, "That all their Charter Rights and Privileges, ſhall be preſerved to them entire." Had they condeſcended to have expreſſed this wiſh, with ſome degree of limitation, I conceive, it would have been both more modeſt and more juſt. For example, had they thought proper to inſert the following clauſe, namely—"So far as regards our excluſive trade, and the management of our commerce," perhaps the requiſition would have been more reaſonable, as well as more reſpectful, than as it ſtands at preſent. Their demand may be thus tranſlated: "We "expect, not only the excluſive management of our trade, the ſole object of "our former Charter privileges, (in which claim they are perfectly well found-"ed) but we inſiſt alſo on the entire adminiſtration of the territory—the ſole "right of Indian legiſlation—and the undivided exerciſe of collecting and "employing the revenues.—We are aware that this demand is rather *outré* on "our part, but ſtill we will be much obliged to you, if you will grant it. "We ſhould offend the Proprietors, if we acted otherwiſe; and if you give "it us, we will make it up to you, in more eſſential matters: for we will "permit you to pocket the *whole revenues*, if you will give us *all the power*. "We muſt be, at the leaſt we muſt *appear* to be, the ſole Governors and "Treaſurers.—We muſt have the *oſtenſible* diſpoſal of all places, and have it "abſolutely in our power to enrich our friends and dependents, at the expence "of the public.—In ſhort, we will do all the buſineſs—take a *little* care of "the Company—a *great deal* of *your* friends and *our* friends, and let the "public at large ſhift for themſelves. Finally, we inſiſt upon being great "men, *in appearance*, but you ſhall have all the power, *under the Roſe*."

"Gentlemen, replies the Miniſter, I pardon the preſumption of your de-"mand, on account of the motive from whence I conceive it to have origi-"nated, namely, your deſire to approve yourſelves the faithful guardians of "the rights of your conſtituents; but I will not ſo far degrade your diſcern-"ment, as to ſuppoſe, that your claim to excluſive management of *revenue*

"as

" as well as *trade*, can be juſtified by your private opinions, and conviction of " it's equity and propriety. Surely, Gentlemen, a participation of revenue " neceſſarily implies a proportionable ſhare, in the management of thoſe " countries from whence that revenue is to ariſe. In regard to influence, " *under the Roſe*, it would be highly unbecoming in the Miniſter of this great " nation, in the adjuſtment of ſo important a buſineſs as the preſent, to *appear* " to give weight to, or to be actuated by, ſuch indirect motives. Beſides, neither " my time, my inclination, nor the turn of my mind, lead me to court ſuch in- " fluence. Other miniſters, perhaps, of leſs official connection with the " Company, may have courted it, and may have obtained it. The motives " of my claim, in behalf of the State, to a ſhare of territorial management, " however unpopular that claim may be, I am yet not aſhamed to own, be- " cauſe I am convinced, it is founded both on juſtice and expediency; nor " has the paſt management of the Company's poſſeſſions, in the hands of the " Directors, and of ſervants of their appointing, had any tendency to leſſen " that perſuaſion. Partnerſhip (I ſpeak to you now as merchants) neceſſarily " involves in it a ſhare of direction. When I ſay this, I am at the ſame time, " perfectly aware, of the degree of unpopularity and jealouſy, that will be " excited, eſpecially in the preſent moment, by the adoption of any meaſure, " that tends to increaſe the power, and to extend the influence of the Crown; " however juſt, however neceſſary it may be, on the preſent occaſion. On " that account I am diſpoſed to wave my claim to *oſtenſible*, *domeſtic* manage- " ment, and to confine it within the bounds already preſcribed by Parliament, " of nominating the Governor General and Supreme Council in Bengal, as " being the executive power in the adminiſtration of revenue. On the part of " the Crown, and of the public, if domeſtic direction is expected to be given up, " I muſt inſiſt upon the nomination to thoſe important offices; and in granting " it, there will ſtill remain to the Company a much more extenſive nomination, " to places of greater truſt and emolument, than is now claimed on behalf of the " Public. If, therefore, that ſhare of foreign direction which I demand, is not " admitted, the deciſion muſt be left to parliament, who may probably think " that a ſhare of *domeſtic*, as well as of *local* direction, is the indiſputable right " of the nation in this buſineſs."

Permit me now, in the character of mids-man, and with no other intereſt in the cauſe, than as a ſtrenuous advocate for the rights of the nation at large, and of the abſent natives of Hindoſtan, (perhaps not ſufficiently attended to on either ſide) to pronounce the following impartial deciſion on the merits of this important queſtion.

" My Lord, and Gentlemen,

" I have hitherto liſtened to the arguments of both ſides, with ſilence and at-
" tention; with attention, not only to the outward texture of your reaſoning,
" but to the inward ſprings alſo, by which you are actuated. I have endeavoured
" to pry into the very bottom of your ſouls; and this is the reſult of my inqueſt:

" As for you, Gentlemen of the Direction, you have ſpoke with ſo much
" ſimplicity and plainneſs of ſpeech, that it is impoſſible to miſtake your mean-
" ing: Your arguments, therefore, as well as your motives, require no com-
" ment: they are both ſufficiently obvious.

" In regard to your Lordſhip, while I admire the dignity and diſintereſted-
" neſs of your profeſſions, I am ſorry that I do not find myſelf juſtified in pay-
" ing the ſame compliment to your abilities, on the preſent occaſion: I would
" rather wiſh to ſuppoſe, and I think it moſt probable, that the formation of
" this crude, inadequate, and ill-digeſted plan, has been the work of others,
" more than of your Lordſhip: I have already pointed out the bad policy, and
" the ruinous conſequences, reſulting from the very ſhort term, propoſed for the
" duration of the Company's charter.—I have alſo, I conceive, ſufficiently
" brought to light the enormity of your Lordſhip's demand, in regard to the
" *Quantum* of participation required for the public:—The mode propoſed,
" for obtaining that quantum, is equally exceptionable, but I defer the conſi-
" deration of that matter for the preſent, and proceed to ſhew, that the de-
" gree of management, and direction, claimed by you, in behalf of the
" public, falls as much ſhort of that extent and efficacy of controul which is
" their due, as their propoſed proportion of revenue exceeds that due.—I
" have already expreſſed my conviction that the eight per cent. demanded for the
" Public, before the Company can receive any ſhare of the Revenue,

" is

" is more than that Revenue will ever be brought to produce, in the " way which your Lordſhip has thought proper to conſent to the future " Adminiſtration of the Company's ſettlements: This being the caſe, why " not inſiſt upon the whole of the management, as well as the whole of " the Revenue? I readily allow that ſuch an aſſumption of power would be " too groſs to paſs on the Public, but I muſt at the ſame time affirm, " that the *one* naturally reſults from the *other*; and, in point of abſtract juſ- " tice, is juſt as much their due: But your Lordſhip, in avoiding Scilla, " had fallen upon Charibdis, and your dread of claiming an unpopular, " though juſt right, has induced you on this, as on many other occa- " ſions, to ſacrifice to your characteriſtic timidity, the neceſſary autho- " rity of the State. I can conceive your Lordſhip to have argued in this " manner: We muſt not revolt the Company, and increaſe the popular clamour, " by demanding *oſtenſible* direction, to the extent of our claim: We will de- " pend for a ſhare of domeſtic management, on the well known influence " of the Crown, in the choice of Directors: We will confine ourſelves to the " appointment of the ſupreme Council, partly becauſe we have already got " Parliamentary ſanction to that claim, and more eſpecially, as it will af- " ford us the ample means of future Patronage: Had you conſulted " only the intereſt of the State, it would have occurred to your Lord- " ſhip, that, though the election of the ſupreme Council was veſted in the " Crown, yet in the excution of their truſt, and in the diſpoſition of the Re- " venues, they were to act under the orders of the Court of Directors, and not " of Miniſters; conſequently, though you might gain the nomination of " lucrative appointments, yet the nation would gain nothing in point of " controul over the Company. It might alſo have occurred to your Lord- " ſhip, on a retroſpect of the paſt management of the Company, reſpecting " their territories, both in point of internal policy, and in appropriating their " immenſe revenues for the benefit of the Company, inſtead of permitting " them to become a prey to the rapacity of their ſervants, that when ſuch " total want of good policy, and of œconomy, exiſted, at a time when " the exertion of thoſe virtues tended ſolely to enrich themſelves and their " conſtituents, is it not probable they will exiſt, in a ſuperior degree, when " they know, that all their labour, and all their pains, will only ſerve

" to

" to benefit the *State*, and not *themſelves*: It is rather to be expected that " they will be very indifferent to the intereſt of the State, and very attentive " to their own, and that of their friends and dependents."

Upon the whole, I think it muſt be allowed, that the propoſitions are exceedingly defective, in their conſtituent and moſt eſſential parts, namely; in regard to duration of Charter, participation of revenue, and future management: That the foundation is bad, and the ſuperſtructure ſtill more inadequate: And in ſhort, that the whole is a heterogeneous concoction of crude and ill digeſted materials, and a ſtrange mixture of city politics and courtly management; in which, whilſt each party has been endeavouring to make the beſt bargain poſſible for themſelves, the more eſſential and permanent intereſt of the State, has been neglected by *both*.

Having now, as I conceive, effectually demoliſhed the old building, I proceed to the ſtill more arduous task of conſtructing a new, and a better one, in it's place. The clumſy day labourer can pull down, but it requires both the head and the hand of an artiſt to plan and to conſtruct, and, from the old and defective materials of a tottering edifice, to raiſe a much more capacious one, more ſolid in it's foundation, juſt in it's proportions, and better calculated for convenience, beauty and duration. Let me then, for the benefit of my honourable maſters, and of my Country, once more reſume the employment of engineer, (in which I have acted under them, for theſe laſt ſixteen years) and conſtruct, for their uſe, a citadel, capable of ſecuring their *Magna Charta* of juſt rights and privileges, and of withſtanding all the aſſaults, which the enemies of the Company, or of the State, can unitedly bring againſt it.

I found my building on the following preliminary Propoſitions, by way of baſis.

First. That the Company have an undoubted claim to the continuance of all their charter rights and privileges, *ſo far as they relate to trade.*

Second. That the longer the duration that is given to their new charter, (ſo far as it can be done conſiſtent with the ſafety and advantage of the ſtate) the

greater

greater degree of permanence, ſtability and proſperity will accrue to the Company, and to their poſſeſſions, and proportionable advantages will reſult to the State.

THIRDLY. That it is juſt and reaſonable, and has ever been cuſtomary, that an adequate conſideration ſhould be paid to government, for a renewal of charter, and the continuance of the Company's excluſive trade.

FOURTHLY. That it will be for the mutual intereſt of the Company, and of the State, more eſpecially in the preſent criſis of Public affairs, to ſettle amicably the queſtion of territorial right, and to agree to an equal participation of revenue, or even, if inſiſted on, to a total ceſſion of right to the Company, on condition of ſuch perpetual participation.

FIFTHLY. That ſuch a mode of participation, as ſhall appear to be the moſt ſimple, leaſt liable to litigation and abuſe, and beſt calculated to promote œconomy and good management, in the collection and appropriation of the revenues, is the moſt proper to be adopted.

SIXTHLY. That a participation of management, ſo far as relates to territory, ſhould alſo take place between the Public and the Company, as the moſt equitable and beſt ſecurity, for the preſervation and improvement of the joint intereſts of both.

Upon theſe, as eſtabliſhed preliminaries, I build the following leading propoſitions, as the baſis of an agreement between Government and the Company.

PROPOSITIONS.

FIRST, That all the Company's Charter Rights and Privileges, *ſo far as they regard trade*, ſhall be preſerved to them intire, and their excluſive trade prolonged for the term of *Thirty Years*, beſides the three years notice to be given.

SECOND, That in conſideration of the above, the Eaſt India Company ſhall advance and pay into his Majeſty's Exchequer, for the uſe of the Public, *One*

Million and a Half of pounds ſterling, without intereſt, at ſuch times, and in ſuch proportions as ſhall be agreed upon. That, provided their territories continue in their poſſeſſion, and their dividends upon their capital amount to twelve per cent. at the end of fifteen years, they ſhall in that caſe, pay to Government, as above, a farther million of pounds ſterling, for the remaining fifteen years of their Charter.

THIRDLY. That the adminiſtration of the Company's affairs ſhall come under the inſpection, controul and correction of Parliament, once every three years.

FOURTHLY. That an equal participation of the territorial revenue, ſhall commence between the Public and the Company, upon the following principle, viz. That three fifths of the groſs revenues are, or ought to be, equal to all the expences of collection, and of the civil and military eſtabliſhmenrs, of the territories in India.

That, therefore one fifth of the groſs revenues, or 4s. in the pound land tax, be annually paid into the hands of an angent for the Public, to be ſtationed at each of the Company's ſettlements, who is to have a ſeat in the Council of ſuch ſettlement. The ſaid fifth to be lent to the Governor and Council of that ſettlement, in behalf of the Company, in order to be veſted in the commodities of the country, and in that ſhape, tranſported to Britain:—To be repaid to Government here, at an exchange hereafter to be ſettled. The remaining fifth to be the property of the Company.

FIFTH. That ſix of the twenty four Directors be always in the nomination of the Crown.

SIXTH. That the ſix Crown Directors ſhall not be ſubjected to the qualifications, in point of poſſeſſion of ſtock, now ſubſiſting in regard to eligibility, but may either be Proprietors or not, as his Majeſty ſhall think fit.

SEVENTH, That the expence of military ſuccours, ſent at any time by Government to India, ſhall be defrayed, jointly and equally, by the Public and the Company.

SEVENTH, That

EIGHTH, That the Secretary of State for the Colonies, (who, tho' the preſent war Miniſter, Mr. Burke, with a degree of truth and modeſty, conſpicuous on that ſide of the Houſe of Commons, has ſtiled to be the poſſeſſor of a ſinecure office) ſhall have ſomething actually to do, by being appointed Secretary of State for the Eaſt India Colonies alſo, and ſhall ſit as a Director, whenever he chuſes to attend. That no orders or inſtructions, relative to territorial Government, or revenue, to the military, to negotiation, or to War or Peace, ſhall be tranſmitted to India, without his previous concurrence and conſent; and all communications, received from India, on thoſe ſubjects, ſhall be immediately tranſmitted to him. That the ſaid Secretary of State, ſhall nominate a Sub-ſecretary, for the peculiar management, under him, of the Eaſt India department; which under Secretary ſhall alwavs be one of the ſix Directors, nominated by Government, and ſhall not be liable to go out at the end of four years.

NINTH, That to give the preſent Directors time to conclude, as they have carried on the preſent treaty, they be continued in the direction for one year longer, without change, unleſs that the youngeſt of the ſix Directors, who would have gone out by rotation, do go out, to make room for the Sub-ſecretary of the Secretary of State.

TENTH, That in conſideration of the great additional weight of buſineſs, lately incurred by the Court of Directors, an increaſe of ſalary do take place, in ſome proportion to the fatigue and importance of their ſtation; namely, that the Chairman have an annual ſalary of 1000l. the Deputy Chairman 750l. and each of the Directors 500l.

ELEVENTH, That to prevent the inconveniencies of a too frequent fluctuation of men and meaſures, in the management of the Company's affairs, the Chairman and Deputy do continue to enjoy thoſe Places, as long as Two Thirds of the Proprietors ſhall give their voice for the ſame; nor ſhall any Director go out; as long as Two Thirds of the Proprietors continue to vote for his Remaining.

TWELFTH, That to ſecure the conſtant attendance of the Directors, to the diſcharge of their important truſt, there be, at the leaſt, three court days in the week,

week, all the year round: That for each day's abſence of the Chairman, whether from illneſs or otherwiſe, he be liable to a ſtoppage of 5l. the Deputy of 3l. and each of the Directors, of 2l.

THIRTEENTH, That no perſon be choſen Director, who is engaged in any active ſcene of buſineſs.

FOURTEENTH, That in conſideration of the powerful military force, under the Company's orders, there be never *leſs* nor *more* than two military Gentlemen belonging to the direction.

FIFTEENTH, That, for a ſimilar reaſon, there be never *leſs* nor *more*, than four retired Captains of Indiamen, in the direction.

SIXTEENTH, That there be conſtantly in the direction, at leaſt one gentleman, returned from each of the Company's Settlements in India.

SEVENTEENTH, That the ſix Crown Directors be always Members of the Committee of Correſpondence.

EIGHTEENTH, That ſome effectual mode be adopted, for preventing the rapid acquiſitions of fortunes, by their ſervants in India, at the expence of the Company, their territories, and allies.

NINETEENTH, That ſome reaſonable mode of permitting the Servants of the Company, to remit moderate fortunes to England, through the channel of the Company, be found out, in order to prevent indirect remittances, and ſuch as are injurious to the intereſt of the Company.

TWENTIETH, That a greater degree of credit be given, in point of borrowing money, in moments of extreme exigency, to the governors and councils of the different Settlements, ſo as not to diſtreſs the Company at home.

TWENTY FIRST, That the *privilege tonnage*, allowed the captains, and officers of Indiamen, be greatly curtailed; and an expreſs prohibition given to their inveſting

ing any money in the commodities of India, in their returning voyages. In compenſation for this, an increaſe of wages to be paid them, and a permiſſion given them, of paying in the produce of their outward bound inveſtments, into the Company's caſh in India.

TWENTY SECOND, That in order to obtain the unconſtrained aſſiſtance of many Gentlemen of great ability now in this country, and returned from India, in framing a ſet of conſtitutions for the better government of the territories in India, a general act of remiſſion and oblivion take place, in regard to all paſt offences and miſdemeanours, committed by any of the Company's Servants, which ſhall not be at this preſent time under legal diſcuſſion.

LASTLY, That a Committee of Proprietors (to be nominated jointly, as hereafter ſpecified by the Miniſter and the Court of Directors) be appointed, and authoriſed to join in conſultation with the Court of Directors, for the purpoſe of altering, amending, and enlarging the propoſitions now before the Court; ſo as to bring them to correſpond more perfectly with the ſenſe of the Proprietory at large; and to remove (as far as is conſiſtent with the Company's rights) ſuch obſtructions, as may impede, or prevent the final concurrence of Adminiſtration, and of Parliament.

The Committee to be choſen in manner following, viz. Such Proprietors as may be willing to become Members of this Committee, to ſend in their names, within three days, to the Company's Secretary.

From the names thus given in, the Court of Directors to nominate Twelve, and his Majeſty's Chancellor of the Exchequer the ſame number, which, with the Twenty-four Directors, ſhall form the ſaid Committee.

Should there not be a ſufficient number of names given in, then the Directors to ſelect ſuch Proprietors as they may think proper, to make up their number of twelve. The Miniſter to do the ſame, or (if he thinks fit) to nominate gentlemen, on the part of Adminiſtration, who may not be Proprietors of India ſtock.

Out of this committee of forty eight, a ſelect committee to be choſen, to conſiſt of twelve members: namely ſix Directors, including the two chairs, three

Proprietors, to be choſen by the Directors, and three by the Miniſter. This committee to be occaſionally an open committee, to receive all ſuch Plans, Propoſals or information as may be laid before them, and to prepare, digeſt and arrange, a ſet of Propoſitions for the conſideration of the general committee, and to call them together when they may find it neceſſary. When the Propoſitions are adjuſted by the general committee, a general Court of Proprietors is to be called, by whom they are to be ratified or rejected by Ballot.

The Chairman to wait on Lord North, to know if his Lordſhip will approve of the foregoing mode of proceeding.

P. S. Query, Would it not be proper, that the Government or the Company, ſhould give 1000l. or ſuch other ſum as they ſhall think adequate, to be paid to the perſon who gives in the beſt and ſhorteſt draughts of a charter, or articles of partnerſhip, betwixt Government and the Company.

APPENDIX.

APPENDIX.

PROPOSITIONS, as prepared by the COURT of DIRECTORS.

The Court of Directors of the Eaſt-India Company having taken into their moſt ſerious conſideration the terms neceſſary to be offered to government for the prolongation of the Company's Charter, beg leave, upon the moſt mature deliberation, to ſubmit the following propoſitions to the conſideration of Lord North, *as the baſis of an agreement with government for that purpoſe.*

PROPOSITIONS.

I. THAT all the Eaſt-India company's preſent charter-rights and privileges ſhall be preſerved to them entire, and their excluſive trade prolonged for the term of ten years, beſides the three years notice to be given, according to the proviſion made for that purpoſe, in the ſubſiſting act of the 17th of George the Second.

II. That in conſideration of all their preſent charter-rights and prvilieges of excluſive trade being ſo preſerved and prolonged, as aforeſaid, the Eaſt-India company ſhall advance and pay into his Majeſty's Exchequer, for the uſe of the public, one million of pounds ſterling, without intereſt, at ſuch times, and in ſuch proportions, as ſhall be agreed upon between the Lords Commiſſioners of his Majeſty's treaſury and the Court of Directors of the ſaid company.

III. That the ſaid ſum of one million ſhall be repaid on or before the 25th day of March, 1790; and the company's right to an excluſive trade ſhall not be determined after that time, until the ſaid one million ſhall be repaid, as well as the four millions two hundred thouſand pounds, now due from the public to the company.

IV. That the company be authorized and impowered to borrow on bond, under their common ſeal, or otherwiſe, any ſum or ſums of money, not exceeding one million, over and above the amount of their preſent bond debt in England.

V. That in caſes of neceſſity the company ſhall be at liberty, with the approbation and conſent of the lords of the treaſury, to borrow upon bond, or otherwiſe, any ſum or ſums of money, not exceeding five hundred thouſand pounds, over and above the amount of their preſent bond debt, and of the additional million to be borrowed, as beforementioned; or over and above any leſs ſum, which ſhall happen to be their bond debt when ſuch caſes of neceſſity

ſhall

ſhall ariſe. But as money, ſo to be borrowed, will only be for relief in temporary exigencies, it ſhall not affect any of the proviſions made in the following Propoſitions, reſpecting dividends to be made amongſt the Proprietors.

VI. That each and every year a diſtinct account of the nett profits of the Company be made up; and that each year the nett profits be divided in the manner following: viz.

The Company ſhall always receive eight per cent. if the profits be equal thereto.

The Public ſhall alſo receive eight per cent. if the profits amount to ſixteen per cent.

When the profits are leſs than ſixteen per cent. the Public ſhall receive all above eight per cent.

If the profits exceed ſixteen per cent. the ſurplus ſhall be equally divided between the Public and the Company.

And the moiety of the ſurplus appropriated to the Company, ſhall each year, after payment of the increaſed dividend herein after-mentioned, be applied to the diſcharge of the Company's debt.

VII. That to the preſent dividend of eight per cent. to the Proprietors, ſhall be added an increaſe of dividend, not exceeding one per cent. each and every year, until the dividend ſhall be ten per cent. per annum, if the Company's moiety of the profits be equal thereto; and from that period, or ſo ſoon after as four hundred thouſand pounds of the preſent debt ſhall be paid off, a further additional dividend of one per cent. per annum ſhall be made; and when the further ſum of four hundred thouſand pounds be paid off, another addition of one per cent. per annum dividend; and when two hundred thouſand pounds, the remainder of the million now to be borrowed, ſhall be paid off, the dividend ſhall be increaſed to twelve and a half per cent. per annum.

VIII. That the Company ſhall remain in poſſeſſion of all the territorial acquiſitions and revenues of the Dewannee of Bengal, Babar and Oriſſa, for and during the term of the excluſive trade to be granted to the Company, in the ſame manner as they are now entitled to their other territorial acquiſitions and revenues, without prejudice to the claim of the Public or of the Company.

IX. That the term of this agreement of participation between the Public and the Company, ſhall commence and take place on and from the firſt day of March, 1780.

That

X. That in order, to the utmoſt of their power, to alleviate the public burthens, whenever the ſituation of affairs ſhall render it neceſſary for the Company to apply to Government for a naval force, or for troops to be ſent to, and remain in the Eaſt Indies; the Company ſhall contribute towards defraying the expence thereof, out of ſuch ſurplus money as ſhall ariſe from the territorial revenues in Bengal, and remain in their treaſury, after providing for all uſual expences, and for the Company's European inveſtments, and for ſupplies to China, and their other ſettlements; and likewiſe after reſerving a fund of one million in the Company's treaſuries in India for contingencies, or ſeven hundred thouſand pounds in Bengal, and three hundred thouſand pounds in the other treaſuries of the Company in India, over and above the amount of the Company's debts in India; then the ſupply to be allowed and paid by the Company to Government, on account of naval and military expences to be incurred, as aforeſaid, ſhall extend to the payment of a ſum, not exceeding thirty thouſand pounds per annum for every ſhip of ſeventy-four guns, and twenty five thouſand pounds per annum for every ſhip of ſixty four guns, and ten thouſand pounds per annum for every frigate, employed in India; not exceeding two ſhips of ſeventy-four guns each, ſix ſhips of ſixty four guns each, and three frigates, in time of war; and not exceeding three ſhips of ſixty-four guns each, and two frigates, in time of peace; and alſo to the payment of a ſum, not exceeding twenty thouſand pounds per annum, for one regiment of land forces, conſiſting of one thouſand men, or forty thouſand pounds per annum, for two regiments, if wanted, conſiſting of two thouſand men, provided it is neceſſary to expend ſuch ſums on the above number of ſhips and troops in India, amounting in the whole, to a ſum not exceeding two hundred and eighty thouſand pounds in time of war; or not exceeding one hundred and thirty-five thouſand pounds in time of peace; which payments ſhall be made in India, and computed at and after the rate of two ſhillings and three pence the current rupee of Bengal, from whence the ſaid ſupplies muſt always be obtained.

XI. That the power of nominating and removing the Governor-General and Council of Bengal be henceforth veſted in the directors of the Eaſt India Company, according to the proviſion made for that purpoſe, in the act of the thirteenth of his preſent Majeſty.

XII. That in order to aſcertain the nett profits ariſing from the company's trade and revenues, an account ſhall be made up of the profit and loſs upon the whole of the ſaid trade and revenues, together with a ſtate of the Company's debts in England, excluſive of their bond debt, to the firſt day of March in every year; and the firſt of ſuch ſtatements or accounts ſhall be made upon the 1ſt day of March, 1781, or ſo ſoon afterwards as the neceſſary materials can be prepared, for the year preceding. And every ſuch ſtatement or

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account, fairly written, and ſigned by two or more directors of the company, ſhall be tranſmitted, within thirty days after the day to which it ſhall be made up, to the commiſſioners of his Majeſty's treaſury, or to the high treaſurer for the time being.

XIII. That Accounts of the groſs amount of all the territorial revenues received by the Company, and of all their diſburſements, charges of Management, civil, military, and other expences and charges, and of the nett proceeds in each of the ſettlements of the Company, ſhall alſo be annually made up, and preſented to the Lords of the Treaſury, on, or ſo ſoon after the 1ſt Day of March in each year, as the receipt of the neceſſary materials from India ſhall enable the Company to form ſuch accounts.

XIV. That the Moiety of the ſurplus profits, to be appropriated to the public, ſhall be paid annually into his Majeſty Exchequer, for the diſpoſition of parliament.

XV. That the power of drawing bills of Exchange upon the Court of Directors be reſtrained, as it is by the act of the 13th Geo. III.

XVI. That no bill, promiſſary note, or other obligation for money, iſſued, or to be iſſued by any of the company's preſidents and councils, or ſervants, in India, or in China, and made payable there, ſhall become payable in England, without the conſent of the court of directors firſt obtained for that purpoſe.

XVII. That no bill or bills of exchange drawn upon the company, or court of directors, by any of their ſervants in India, or in China, beyond the amount authoriſed by, or contrary to the orders of the court of directors, ſhall be obligatory or binding upon the company in England, until ſuch bill or bills ſhall have been accepted; but every holder of ſuch bill or bills of exchange, ſhall have recourſe to the perſon or perſons who may have ſigned the ſame, as the drawer or drawers thereof.

XVIII. That no Britiſh ſubject in the ſervice of the company, or licenſed by them to proceed to India, ſhall reſide in any other place in India, than one of the company's principal ſettlements, or within twenty miles thereof, without ſpecial orders or licenſe in writing from the company, or from their preſident or governor and council; nor ſhall any ſuch perſon or perſons reſide beyond ſuch limits, as aforeſaid, for longer time than ſhall be ſpecified in the company's orders, or in his or their licenſe or licenſes reſpectively.

XIX.

XIX. That the ſervants of the company in India be reſtrained from lending money to foreign companies and to foreign merchants, and from purchaſing goods in India for ſuch companies or merchants to be ſent to Europe, and from being concerned therein directly or indirectly; and alſo from furniſhing them with the credit of bills drawn upon their correſpondents or other perſons in Europe.

XX. That the company's excluſive rights and privileges of trade be ſo extended, as to prevent the importation of goods and merchandize, the produce of the Eaſt Indies, by the way of Suez, or by any other channel to the prejudice of the company.

XXI. That ſuch regulations be formed, as ſhall, if poſſible, prevent ſmuggling; and that no power of remiſſion or mitigation be veſted in the Court of Directors.

XXII. That the Company be permitted to lodge recruits, deſigned for their Settlements in the Eaſt Indies, in Tilbury Fort, Jerſey, or Guernſey, or in ſome other of his Majeſt'ys forts, with one officer to ſuperintend the ſame, and a ſufficient number of ſerjeants to take care of the men, in order to obviate the difficulties, and to prevent the expence occaſioned by the want of ſuch accommodation.

XXIII. That the Company be enabled to import and export goods to and from this kingdom, and places within the limits of the Company's Charter, in ſhips, by purchaſe or otherwiſe, the property of the Company, the ſame being navigated in the manner preſcribed by the laws now in being, reſpecting Britiſh built ſhips.

XXIV. That the Company's marine force at Bombay, and their other principal Settlements in India, be made ſubject to the like articles and rules as the ſhips of war in his Majeſty's ſervice, ſo far as the circumſtances of the ſaid marine force may render the ſame practicable; and that the Preſident and Council in the reſpective ſettlements, be authoriſed to iſſue warrants for holding courts martial for the trial of offenders.

XXV. That ſuch other regulations be made, for the better management of the Company's affairs, as, on further conſideration, ſhall be found neceſſary, and be required by the Company.

XXVI. That the Court of Directors will recommend the above propoſitions to their conſtituents; but that nothing can be finally concluded, without the concurrence of the Court of Proprietors.

Eaſt India Houſe,
28th January, 1780.

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